



U.S. Senator Judd Gregg, Chairman

Senate Committee on Health, Education, Labor and Pensions

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HELP Committee Passes Gregg Pension Plan *Three-Year Fix to Ease Pension Crunch Ready for Senate Floor*

Washington, DC - Today, the Senate Committee on Health, Education, Labor and Pensions unanimously passed Chairman Judd Gregg's (R-NH) bipartisan pension proposal.

"The plan adopted by the HELP Committee today provides a responsible, immediate solution to the pension-funding crisis facing our economy, while developing the glide path toward permanent solutions to major problems in the defined benefit system. Congress must act quickly to replace the 30-year Treasury Bond rate, or companies will be forced to divert billions of dollars from capital investment and job growth in order to satisfy arbitrary pension funding rules. With today's vote we are one step closer to a solution that protects pensions and capital investment," said Senator Gregg.

"The three-year plan passed out of Committee today gives companies and unions greater certainty in planning for the future and gives Congress the time it needs to develop reforms that protect the interests of workers, companies, and the pension system. I have been proud to work on a bipartisan basis with Senator Kennedy in preparing this important legislation for Committee action. I hope we can get this temporary fix passed through the Senate immediately so hard-working Americans with pensions can rest assured that their retirements are secure," said Senator Gregg.

Pension law relies on the 30-year Treasury bond, which is no longer being issued, to determine funding levels. The Pension Stability Act solves the immediate problems of the pension system, while respecting the need for fiscal responsibility and ensuring that enactment of permanent solutions remains in the forefront of Congressional attention.

Main components of the bill are:

- **Three-Year Fix:** The Pension Stability Act replaces 30-year Treasury Bond rate for a period of three years with a composite corporate bond rate based on conservative indexes.
- **Bi-Partisan Blue Ribbon Commission:** The Pension Stability Act creates a commission to review all outstanding issues, including all of the issues that the Bush Administration has put on the table, and report to Congress at the end of 2005. Members of the Commission, appointed by the President and chairmen and ranking members of the relevant committees in the Senate and House of Representatives, will be drawn from government, business, labor, and pension rights groups.

- **Congressional Action:** The Pension Stability Act ensures that the recommendations of the Blue Ribbon Commission are addressed by requiring congressional action within 120 days of the publication of the Commission's report. This ensures that comprehensive, responsible pension reforms will be on the House and Senate floor by April of 2006.

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